

**Goal 4: Significantly Increase The Number Of Affordable Housing Opportunities,
Both For Lower-Income Renters And First-Time Homebuyers**

QUANTIFIED OBJECTIVE: Affordability for Lower-Income Renters

Provide assistance in the form of rental subsidies to at least 800 additional lower-income households, of whom at least 90 percent should be very low-income.

QUANTIFIED OBJECTIVE: Affordability for First-Time Homebuyers

Provide homebuyer counseling, training, and seminars to at least 12,000 low- or moderate-income first-time homebuyer households. Provide financial assistance to a minimum of 1,000 low- and 800 moderate-income first-time homebuyers.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

This Housing Element retains the dual objectives expressed in the previous Element of focusing on rental assistance; and on first-time homebuyer opportunities and assistance. However, the quantified objectives have been changed to reflect the resources anticipated to be available.

For this Housing Element, the quantified objective pertaining to rental assistance has been reduced from 1,900 additional rent subsidies to 800. This includes rental assistance from Section 8 certificates and vouchers, HOME tenant-based rental assistance, Shelter Plus Care and HOPWA. The primary reason for this reduction is that the City anticipates that Section 8 certificates and vouchers will decrease from 1,678 to approximately 500 in the FY 1999-2004 Housing Element cycle, based on the FY 1998 HUD budget.

The quantified objectives for homeownership include objectives for counseling, training and seminars and for financial assistance for low- or moderate-income first-time homebuyers. The objective for counseling has been increased from 5,000 households assisted to 12,000 reflecting the level of activity under this objective for the previous Housing Element cycle and anticipated growth in the new cycle.

The objective for financial assistance to first-time homebuyers has been reduced from 2,800 households to 1,800 households. And, the objective has been subdivided into assistance to 1,000 first-time low-income homebuyers and 800 moderate-income first-time homebuyers. This reflects the resources expected to be available during the upcoming Housing Element cycle.

POLICIES:

1. The City shall aggressively pursue all federal, state, and local resources available to provide financial assistance, counseling, and related services to lower-income renters and first-time homebuyers.

2. The City shall promote alternative forms of housing which offer opportunities for economies of scale and shared facilities and services. Such housing can be particularly appealing to single parents and families where both parents have full-time jobs.
3. The City shall recognize the benefits of encouraging physically and financially able elderly persons to "age in place."
4. The City shall recognize the benefits of emphasizing affordable housing for people with disabilities and special needs.
5. The City shall consider the impact on housing affordability of all proposed regulatory changes, fee changes, and policy changes, and shall consider means of mitigating adverse impacts which are identified.
6. To the extent feasible, the City shall preserve the affordability of existing mobile home parks for lower-income owners of mobile homes.
7. The City shall provide support to non-profit development corporations for development of affordable housing. Such support shall include technical training and assistance to develop capacity for housing development and financial assistance for housing development directly.
8. The City shall support non-profit mechanisms in providing both homeownership and rental housing opportunities for low-income households.
9. The City shall encourage lenders to meet their Community Reinvestment Act obligations through participation in public and non-profit affordable housing projects and programs to encourage home ownership opportunities for low- and moderate-income families.
10. To the extent consistent with yield and security considerations, the City shall encourage public agencies to deposit public funds in lending institutions which make a higher than average proportion of their loans to mortgage-deficient residential areas.
11. The City shall promote non-traditional development projects to the lending community. Examples of such projects may include mixed-use or mixed-income developments, housing with reduced parking requirements, higher density developments, live-work housing, and transit-oriented developments.
12. The City shall consider alternative strategies for leveraging public dollars allocated for affordable housing to generate maximum external revenues in order to expand the Housing Trust Fund and other public affordable housing resources

PROGRAMS:

1. Section 8 Rent Certificates and Vouchers - Future Section 8 allocations by HUD are expected to be in conjunction with the "Welfare-to-Work" Program. Based on current and anticipated national funding levels for these allocations, the City's Housing Commission anticipates that the City may receive funding for approximately 100 additional Section 8 vouchers annually over the next five years. These vouchers would assist extremely low-income households, based on the Housing Commission's policy of restricting Section 8 assistance to households at 30 percent of area median-income or less.
2. Supportive Housing Program - This program, funded by HUD, is designed to promote the development of supportive housing and services to assist homeless persons, including people with disabilities and other special needs, in the transition to independent living. Supportive housing includes transitional beds, individual housing units, and community living environments. Supportive services include case management, therapy, childcare, education, and job training. As of FY 1998, the program was funding 350 beds and was serving approximately 850 people annually. Although annual funding levels from HUD are unpredictable, however, for this Housing Element it is assumed that funding levels will permit the provision of approximately 300-400 beds annually.
3. Housing Opportunities for People with AIDS (HOPWA) - This program, funded by HUD, provides homeless and non-homeless persons with assistance through rental assistance, group-homes living, and provides permanent housing opportunities through acquisition/rehabilitation of housing units and supportive services. Based on current and anticipated levels of funding from HUD, the county anticipates that approximately 130 households will receive rental assistance during FY 1999 and 135 households will receive rental assistance during subsequent years until FY 2004. The county also anticipates that approximately 325 households will be assisted through group-home living during FY 1999, 330 households during FY 2000, and 335 households during subsequent years until 2004. Projections also indicate that approximately 47 households will be assisted in obtaining permanent housing through the acquisition and rehabilitation of units, during FY 1999, 49 households during FY 2000, and 47 during subsequent years until 2004.
4. Shelter Plus Care (SPC) - This program is funded by the federal government and provides homeless persons with substance abuse or AIDS symptoms with rental assistance. A social service agency provides case management assistance to the household. Based on current and anticipated funding levels, this program will provide approximately 100-120 households with rental assistance annually.
5. Existing Public Housing - The Housing Commission will maintain occupancy of the 2,000 public housing and other units which the Housing Commission owns and manages. These

units are guaranteed affordable since no more than 30 percent of household income can be spent for rent plus utilities. These units will be occupied primarily by very low-income households.

6. First-Time Homebuyers Counseling, Training, and Seminars - These services will continue to be offered by the San Diego Home Loan Counseling Service, local non-profit, and Consumer Credit Counselors. These services are projecting a growth rate of approximately 10 percent annually in the number of households to be assisted, with 1,800 as a base. This equates to approximately 12,100 households projected to be served over the five-year Housing Element cycle or an average of 2,400 annually.
7. Financial Assistance to First-Time Homebuyers - Assistance to first-time homebuyers will be provided through a variety of local, state and federal resources including the Housing Trust Fund, local Housing Commission funds, Mortgage Credit Certificates, HOME and conventional loans. These resources will be utilized to assist at least 1,000 low-income and 800 moderate-income first-time homebuyers in purchasing homes, some of which may be in need of rehabilitation or modernization. The assistance includes tax credits, down payment assistance, silent second and conventional loans.
8. Relocation/Eviction Assistance - A program offered by the County of San Diego Department of Social Services and San Diego Housing Commission providing financial assistance to welfare recipients when eviction from rental housing for non-payment of rent is imminent. The program provides coverage for moving expenses up to a maximum of \$300. The program is available only to SSI/SSP recipients whose available liquid assets do not exceed \$300. Based on the Housing Commission's past performance, it is anticipated that approximately 125 households will be assisted through this program over the five-year period.
9. Cohousing - Cohousing is an alternative form of housing which combines individual housing units with facilities for shared meals, childcare, and other support services. It is an ideal solution for single-parent households or households in which both parents work, elderly, and people with disabilities. Unlike conventional housing, cohousing is not driven by the market, but rather by groups of individual households interested in the concept. In San Diego, cohousing developments can be processed under current regulatory provisions.
10. Shared Housing for the Elderly - The City will continue to provide financial support to services which match up elderly and disabled residents with either non-elderly, or other elderly residents to share a housing unit in order to reduce living expenses and to facilitate assistance to the elderly for basic everyday living activities. Shared housing matches for five-year plan period.

11. Limited Equity Housing Cooperative - As an alternative to or in addition to the community land trust model, the City will provide support to the creation of limited-equity housing cooperatives. This is a non-profit mechanism intended to provide affordable owner-occupied housing. Jointly, the residents of a housing complex own and control their housing units and the land on which it is built. When the occupant of a unit wishes to sell, the equity appreciation is typically shared with the cooperative in order to maintain affordability indefinitely. The City's first co-op opened in November 1994. It contains fourteen units. HOPE CDC anticipates another limited equity coop during the five-year Housing Element cycle.
12. Housing Affordability Impact Statements - Currently, the Planning Department, Development Services, and the Housing Commission provide a "Housing Affordability Impact Statement" in planning reports which address policies, regulations, fees, or development projects which involve a plan amendment or rezoning. The Statement is intended to convey to decision makers the effect of a proposal on achieving or maintaining affordable housing. The City will continue to provide this Statement in planning reports as a means of promoting awareness of impacts of public actions on affordable housing objectives.
13. Mobile Home Relocation Policy - The Housing Commission has adopted a policy specifying minimum relocation benefits to be paid to mobile home park residents displaced due to discontinuance of a mobile home park or mobile home park spaces. This policy will continue to guide relocation assistance provided to displaced mobile home tenants as a result of discontinuance of a mobile home park or park spaces.
14. Mobile Home Mediation/Communication Program - The Housing Commission has created a program to mediate disputes between mobile home owners and mobile home park owners. Mediation is available through the Environmental Mediation Program in the City Attorney's Office. The program also includes a Mobile Home Community Issues Committee which can hold hearings on issues of interest and on issues which cannot be resolved through mediation or where one or both parties choose not to use mediation.
15. Assistance to Non-Profit Development Corporations - The Housing Commission will continue to provide technical and financial assistance to non-profit corporations to develop affordable housing, either by themselves or in partnership with for-profit developers. This assistance will complement related capacity building assistance being provided by the Local Initiatives Support Corporation, California Housing Partnership, San Diego Community Foundation, and the Housing Trust Fund, whose support will hopefully continue over the full five-year period of this Housing Element. For many non-profit corporations, such capacity building support is an essential prerequisite to the actual development of housing. City assistance may also include the pooling of public funds with private lending capital to enable non-profit corporations to acquire properties owned by the Resolution Trust Corporation, foreclosed properties, and existing low-income units whose

rent subsidies or mortgage guarantees are due to expire soon. As a result of these efforts and based on past performance, a reasonable goal for the non-profit sector is to complete at least 1,000 new or rehabilitated affordable units for lower-income occupancy during the period FY 1999- 2004.

16. Community Reinvestment Act - The Housing Commission shall work in concert with the County of San Diego to continue to fund the City-County Reinvestment Task Force. The Reinvestment Task Force is responsible for monitoring banking practices in the San Diego region and developing strategies for reinvestment in partnership with public, community

and private lending institutions. The Reinvestment Task Force has completed a comprehensive credit need assessment to assess the impacts of numerous bank mergers and closures in the San Diego region during the 1990s. Based on the credit assessment, the Task Force has established as a goal the creation of more than \$100 million in new funds, primarily for new community reinvestment efforts. Nearly all of these monies would be private sector investment and loans for low-income communities and organizations involved in addressing these concerns. Approximately 40 percent of the \$100 million in new reinvestment would be targeted for affordable housing development.

17. Housing Trust Fund - The Housing Commission shall maximize leverage of public dollars to maximize the generation of private dollars. A leveraging ratio in the range of 4.5 - 5.0:1 should be pursued with the understanding that the leverage will likely be lower for acquisition and rehabilitation and higher for new construction. Current priorities of the Commission favor acquisition and rehabilitation.

The Housing Commission should also continue to pursue funding to increase the Housing Trust Fund. Currently, the primary source of funding is a linkage fee levied on non-residential development. The fee varies from \$0.27 - \$1.06 per square foot, depending on the type of development. This represents a 50 percent reduction, from the original level in 1997. Pursuant to direction from the City Council, the Housing Commission shall ask the Council to restore the original level of this fee or identify alternative sources of revenue to compensate for the reduction. Annual revenues generated have varied from \$1.4 million to about \$5.4 million, depending on economic conditions.

18. Shared Risk Loan Pool - The City-County Reinvestment Task Force shall encourage banks and savings and loan institutions to utilize existing loan pools operated through the California Community Reinvestment Corporation (CCRC) and the Savings Association Mortgage Company (SAMCO) to provide loans for affordable housing and non-traditional development projects. Possible examples of such projects could include mixed-use or mixed-income developments, projects with reduced parking requirements, higher density developments, housing for people with disabilities and other special needs which lenders may perceive as having a higher risk than more traditional types of developments.

19. Single-Family Housing Construction - Incentives including specialized financing incentives should be developed and made available to non-profit housing development organizations for the purpose of constructing new single-family homes on individual lots scattered throughout the lower-income communities of San Diego. Such incentives may potentially include acquisition grants, fee deferrals, and low-cost loans from the Redevelopment Agency or Housing Commission.

IMPLEMENTATION CHARTS: Housing Affordability

Program	Policy	5-Year Target	Responsible Agency	Timing	Financing	Primary Beneficiary
Rental Assistance	Take maximum advantage of all federal state, and local resources available to provide financial assistance, counseling, and related services to lower income renters and first-time home buyers.					
	Section 8 Certificates/Vouchers	Households: 500	Housing Comm	100/year	HUD	Very Low Income Household
	HOPWA	131 annually	SD County		HUD	
	Shelter+Care	Units: 100-120/year	Housing Comm	100-120/year	HUD	
Existing Public Housing	Same As Above Policy	Maintain occupancy of approx. 2,000 units	Housing Commission	On Going	HUD	Very Low-Income Household
Financial & Counseling Assistance to First-time Home Buyers	Same As Above Policy	Counseling Seminars, & training to at least 12,100 households	San Diego Home Loan Counseling, Neighborhood House, Consumer Credit Counselors	2,400/year	Private	Low and Moderate Income Household
		Financial assistance to at least 1,800 households	Housing Commission	360/year	HOME, Hsg Trust Fd HUD, Mortgage Loans	Low and Moderate
Relocation/ Eviction Assistance	Same As Above Policy	Assistance to at least 125 households	Hsg Commission SD County	25/year	State HUD	Low & Ve Low-Incom Rental Household
Supportive Housing	The City shall recognize the benefits of emphasizing affordable housing for people with disabilities and special needs.	300-400 beds/ year				
Cohousing	Promote alternative forms of housing which offer economics of scale and shared facilities and services by residents and respond to the needs of two-income working parents and single parents.	Approve 1 co-housing project	Individuals interested in concept	FY 99- FY 2004		Moderate Income Household

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Program	Policy	5-Year Target	Responsible Agency	Timing	Financing	Primary Beneficiary
Shared Housing for the Elderly	Recognize the benefits of encouraging physically and financially able elderly to "age in place".	Matches: 625	ElderHelp	125/year	Housing Commission	Low & Ve Low-Incom Elderly & people with
Limited Equity Housing Cooperative	Same As Above Policy	New co-ops: 1	HOPE CDC Not-for-Profit Federation Hsg Trust Fund	FY 99- FY 2004	Housing Trust Fund LISC Tax-exempt bonds Foundations	Lower Inco Homeowne
Housing Affordability Impact Statement	Consider the impact on housing affordability of all regulatory and fee changes, policies and development projects, and ways of mitigating adverse impact.	Impact Statement in City Staff Reports as required.	Planning Dept. Hsg Commission Planning Dept.	On-going	General Fund	Low and Moderate Income Household
Mobile Home Relocation Policy	To the extent feasible, the City shall preserve the affordability of existing mobile home parks.	As needed	Housing Commission	on-going	Housing Commission	Mobile Ho Owners Mobile Ho Park Owne
Mobile Home Mediation/Communication Ordinance	Same As Above Policy	As needed	Housing Commission	on-going	Housing Commission	Mobile Ho Owners Mobile Ho Park Owne
Assistance to Not-for-Profit Development Corporations	Support not-for-profit cooperations in development of affordable housing. The City shall support not-for-profit Mechanisms in providing both homeownership and rental housing Opportunities for low-income households.	New or Rehab Units: 1,000	Hsg Comm. LISC Calif Hsg Partnership SD Comm Foundation Hsg Trust Fund	Up to 200/year	Hsg Trust Fd CDBG State Funds Charitable Contributions	Low & Ve Low incom Household
Community Reinvestment Act	The City shall encourage lenders to meet their Community Reinvestment Act obligations through participation in public and not-for-profit affordable housing projects and programs to encourage Homeownership.	Annual monitoring of lending institutions in CRA obligations.	City-County Reinvestment Task Force Hsg. Comm.	Annual Report	Hsg. Comm. General Fund	Low & Ve Low incom Household

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Program	Policy	5-Year Target	Responsible Agency	Timing	Financing	Primary Beneficiary
	To the extent consistent with yield and security considerations, the City shall encourage public agencies to deposit public funds in lending institutions which Make a higher than average proportion of their loans to mortgage-deficient residential areas.					
Housing Trust Fund	The City shall consider alternative strategies for leveraging public dollars allocated for affordable housing to generate maximum external revenues in in order to make expand the HTF and Other public affordable housing resources.	Identify additional funding sources	Hsg Commission	By FY 2004	Secondary Mortgage Markets Loan Pools	Low- and Very-Low income households
Shared Risk Loan Pool	The City shall promote non-traditional development projects to the lending community.	Units: 250	SAMCO CCRC Lending Institutions	50/year	Conventional Pooled Funds	Low- and Very-Low income households
Single-Family Construction	Support not-for-profit cooperations in Development of affordable housing Such support shall include technical training and assistance to develop capacity for housing development and financial assistance for housing development directly.					

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